

Key Market Highlights

- Global stock markets delivered strong gains last week, driven by optimism over a potential end to the United States (US) - Iran conflict.
- However, uncertainty has resurfaced amid renewed tensions in the region over the weekend, including reported naval incidents and reimposition of controls in the Strait of Hormuz, reversing the reopening announced late Friday.
- The re-escalation in Middle East tensions has created fresh uncertainty and market volatility, pushing Brent crude oil prices up sharply on Monday morning.
- Beyond developments in the Middle East, the focus is starting to shift to US first-quarter corporate earnings to assess the impact of the conflict. Early results from major US banks point to a strong earnings season, driven by robust trading activity and investment banking revenues.

Topics of the Week:

Moderating global growth outlook but stock markets remain resilient

- The International Monetary Fund (IMF) downgraded its global growth forecast for 2026 to 3.1%, mainly due to supply disruptions and rising energy prices linked to the Middle East conflict.
 - It warned that a prolonged Middle East conflict could increase the risk of a global recession.
- Notably, developing economies are expected to be more impacted given their higher dependence on oil inputs, with emerging markets growth revised down to 3.9%.
- Despite these concerns, several major equity markets have recovered losses sustained after the Middle East conflict began, with a few benchmark indices even reaching new record highs over the past week.
- The resilience is notable; while Asia is highly exposed to disruptions in the Strait of Hormuz, stock markets in China, Japan, South Korea, Taiwan and Singapore have rebounded.
 - This reflects improving investor confidence that the conflict will remain contained, supported by ongoing diplomatic efforts.
- However, sentiment may turn cautious this week as investors contend with the volatile Middle East situation amid the renewed conflict in the region.

Key catalysts are supporting Asian equities despite the ongoing US - Iran conflict

- Foreign inflows into selective Asian markets
 - Global technology stocks have regained momentum after worst-case geopolitical scenarios appear less likely, supporting a return of foreign inflows into Asia's tech-heavy markets.
- Asian earnings outlook remains strong
 - Asia's earnings forecasts have continued to trend higher despite the Middle East conflict given



Asia's role as a key supplier in the technology hardware supply chain.

- o However, a prolonged energy shock or renewed geopolitical escalation could still pose risks to corporate profitability.
- Profit margins in Asia stay supported
 - o Historically, rising oil prices tend to weaken corporate profit margins by increasing costs and slowing growth.
 - o However, Asia's 12-month forward net profit margin has remained resilient, likely to be supported by the growing contribution from higher-margin, artificial intelligence (AI) related sectors.

Investment Strategy

- While sentiment has improved amid hopes of progress in ending the US - Iran conflict, financial markets are likely to remain volatile until a more durable resolution is reached.
- As the outlook for risk assets remains constructive, supported by resilient corporate earnings, stay invested with a balanced portfolio while avoiding over-concentration.
- Technology remains a key opportunity, supported by long-term AI growth, and Asia stands to benefit given its critical role in the global supply chain.
- Focus on quality amid ongoing market volatility.

Asset Class Performance

Equities	Current	Performance (%)			
		1 Week	1 Month	3 Months	Year-To-Date
S&P 500 (USD)	7126.06	4.54	7.57	2.68	4.10
Dow Jones (USD)	49447.43	3.19	6.97	0.18	2.88
NASDAQ 100 (USD)	26672.43	6.20	9.20	4.48	5.63
FTSE 100 (GBP)	10667.63	0.63	3.52	4.22	7.41
S&P/ASX 200 (AUD)	8946.93	-0.15	3.54	0.48	2.67
DAX (EUR)	24702.24	3.77	5.11	-2.35	0.86
Swiss Market Index (CHF)	13426.72	1.85	5.18	0.10	1.20
HSCEI Index (HKD)	8845.02	2.20	0.11	-4.08	-0.77
Hang Seng Index (HKD)	26160.33	1.03	0.52	-2.55	2.07
Nikkei 225 (JPY)	58475.9	2.73	5.86	8.42	16.16
Commodities & Currencies	Current	1 Week	1 Month	3 Months	Year-To-Date
Brent Crude (USD)	90.38	-5.06	-12.18	43.92	50.01
Gold (USD)	4830.34	1.70	0.25	5.10	11.83
EURUSD	1.1765	0.36	2.73	1.44	0.16
GBPUSD	1.3516	0.40	1.95	1.02	0.30
USDJPY	158.64	-0.40	-0.76	0.33	1.23
Bonds	Current (%)	Basis points Change			
		1 Week	1 Month	3 Months	Year-To-Date
US 10-year Treasury yield	4.248	-0.069	-0.017	0.025	0.081
German 10-year Bund yield	2.960	-0.098	0.020	0.125	0.105
UK 10-year Gilts yield	4.762	-0.073	0.024	0.362	0.283
Japan 10-year bond yield	2.424	-0.014	0.205	0.234	0.358

1 week for the period 10-Apr-2026 to 17-Apr-2026

1 month for the period 18-Mar-2026 to 17-Apr-2026

3 months for the period 16-Jan-2026 to 17-Apr-2026

Year-to-date for the period 31-Dec-2025 to 17-Apr-2026

Source: Bloomberg (last update: Sat, 18 April 2026 11:32 AM SGT)



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